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Signed and Filed: August 25, 2023

A handwritten signature in black ink, reading "Dennis Montali", is written over a horizontal line.

DENNIS MONTALI
U.S. Bankruptcy Judge

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Proposed Attorneys for The Roman Catholic
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re
THE ROMAN CATHOLIC ARCHBISHOP
OF SAN FRANCISCO,

Debtor and
Debtor in Possession.

Case No. 23-30564

Chapter 11

**INTERIM ORDER (1) AUTHORIZING
CONTINUED USE OF EXISTING CASH
MANAGEMENT SYSTEM, OPERATIONAL
BANK ACCOUNTS AND RELATED
INVESTMENT ACCOUNTS;
(2) AUTHORIZING MAINTENANCE OF
EXISTING BUSINESS FORMS, (3) EXCUSING
COMPLIANCE WITH SECTION 345(b); (4)
AUTHORIZING CONTINUED USE OF
CURRENT INVESTMENT POLICY; AND
(5) SCHEDULING A FINAL HEARING**

*Filed concurrently with Declaration of Joseph J.
Passarello*

Date: August 24, 2023
Time: 1:30 p.m.
Via ZoomGov

Judge: Hon. Dennis Montali

1 The motion of The Roman Catholic Archbishop of San Francisco (“Debtor”), debtor in
2 possession, the *Debtor’s Emergency Motion for Interim and Final Orders (1) Authorizing*
3 *Continued Use of Existing Cash Management System, Operational Bank Accounts and Related*
4 *Investment Accounts; (2) Authorizing Maintenance of Existing Business Forms, (3) Excusing*
5 *Compliance With Section 345(b); (4) Authorizing Continued Use of Current Investment Policy; and*
6 *Scheduling a Final Hearing*, filed on August 21, 2023, as ECF No. 9 (the “Motion”) and the
7 *Debtor’s Supplement to the Debtor’s Emergency Motion for Interim and Final Orders*
8 *(1) Authorizing Continued Use of Existing Cash Management System, Operational Bank Accounts*
9 *and Related Investment Accounts; (2) Authorizing Maintenance of Existing Business Forms,*
10 *(3) Excusing Compliance With Section 345(b); (4) Authorizing Continued Use of Current*
11 *Investment Policy; and Scheduling a Final Hearing*, filed on August 22, 2023, as ECF No. 22 (the
12 “Supplement”),¹ came on for emergency hearing on August 24, 2023 at 1:30 p.m., before the
13 Honorable Dennis Montali of the United States Bankruptcy Court for the Northern District of
14 California. Paul J. Pascuzzi, Esq., of Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP and
15 Ori Katz of Sheppard, Mullin, Richter & Hampton LLP appeared on behalf of the Debtor. All other
16 appearances were as noted on the record.

17 The Court having considered the Motion, the Supplement, the Passarello Background Decl.,
18 the Gaspari Decl., the Passarello Decl., the Supplemental Passarello Decl., all exhibits filed in
19 support of the Motion and declarations, the *United States Trustee’s Omnibus Objection to Debtor’s*
20 *First Day Motions and Reservation of Rights [ECF Nos. 7 & 9]* filed on August 23, 2023, as ECF
21 No. 25 (the “U.S. Trustee Objection”), and the representations made by counsel at the hearing as
22 reflected in the record of the hearing; and the Court having found that it has jurisdiction over this
23 proceeding; that this is a core proceeding; that notice of the Motion has been given to the Office of
24 the U.S. Trustee, the Cash Management Banks, the twenty largest unsecured creditors, all secured
25 creditors, if any, and any applicable governmental entities; that no further notice is necessary; that
26 the concerns and objections stated in the U.S. Trustee Objection as to this Motion have been

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28 ¹ Unless otherwise indicated, capitalized terms not otherwise defined in this Order shall have the
same meanings ascribed to them in the Motion or Supplement as applicable.

1 consensually resolved with respect to this Interim Order; that the relief sought in the Motion is in
2 the best interests of the Debtor, its estate, and its creditors; and that good and sufficient cause exists
3 for such relief.

4 It is hereby ORDERED as follows:

5 1. The Motion is GRANTED on an interim basis as set forth herein;

6 2. The Debtor is authorized to: (a) designate, maintain, and continue to use any and all
7 existing bank accounts with the same account numbers, including, without limitation, the accounts
8 identified in the Motion; provided however, that the accounts shall be designated as debtor in
9 possession accounts to the extent possible by the relevant banks; and (b) continue to use its existing
10 Cash Management System, which includes use of the Investment Accounts and credit cards. In
11 connection with the ongoing use of the Cash Management System, the Debtor shall continue to
12 maintain strict records with respect to all transfers of cash so that all transactions may be readily
13 ascertained, traced, recorded properly, and distinguished between pre-petition and post-petition
14 transactions, and between the Debtor and any non-Debtor.

15 3. Each of the Debtor's existing depository and disbursement banks (collectively, the
16 "Cash Management Banks") is authorized to debit the Debtor's accounts in the ordinary course of
17 business without the need for further order of this Court for: (i) all checks drawn on the Debtor's
18 accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees
19 thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtor's accounts
20 with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any
21 reason, together with any fees and costs in connection therewith, to the same extent the Debtor was
22 responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts
23 outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance
24 of the Cash Management System.

25 4. Any of the Debtor's Cash Management Banks may rely on the representations of the
26 Debtor with respect to whether any check or other payment order drawn or issued by the Debtor
27 prior to the Petition Date should be honored pursuant to this or any other order of this Court without
28 any duty of further inquiry and without liability for following the Debtor's instructions.

1 5. That (i) those certain existing deposit agreements between the Debtor and its Cash
2 Management Banks shall continue to govern the post-petition cash management relationship
3 between the Debtor and the Cash Management Banks, and that all of the provisions of such
4 agreements, including, without limitation, the termination and fee provisions, shall remain in full
5 force and effect, and (ii) the Debtor and the Cash Management Banks may, without further order of
6 this Court, agree to and implement changes to the Cash Management System and procedures in the
7 ordinary course of business, including, without limitation, the opening and closing of bank accounts.

8 6. Nothing contained herein shall prevent the Debtor from opening any additional bank
9 accounts or closing any existing Bank Account(s) as it may deem necessary and appropriate, and
10 the Cash Management Banks are authorized to honor the Debtor's request to open or close, as the
11 case may be, such bank accounts or additional bank accounts, provided however, that any new
12 account shall be with a bank that is insured with the Federal Deposit Insurance Corporation that is
13 organized under the laws of the United States or any State thereof and that such account is either
14 bonded or securitized as described in 11 U.S.C. § 345(b) should the account exceed the FDIC
15 insurance limit, and listed on the U.S. Trustee's list of authorized depositories for the Northern
16 District of California.

17 7. Any and all accounts opened by the Debtor on or after the Petition Date at any Bank
18 shall, for all purposes under this Interim Order, similarly be subject to the rights and obligations of
19 this Interim Order.

20 8. The Debtor and the Cash Management Banks are hereby authorized to continue to
21 perform pursuant to the terms of any pre-petition agreements that may exist between them, except
22 to the extent otherwise directed by the terms of this Interim Order. The parties to such agreements
23 shall continue to enjoy the rights and remedies afforded to them under such agreements, except to
24 the extent modified by the terms of this Interim Order or by operation of the Bankruptcy Code.

25 9. Except as provided in this Interim Order, the Debtor is authorized to continue to use
26 its existing business forms and stationery without alteration or change.

27 10. The Debtor shall use reasonable efforts to comply with the following acts, as
28 requested by the U.S. Trustee in resolution, in part, of the U.S. Trustee Objection:

1 a. Close its Segal Bryant investment account within 15 days of entry of the
2 Interim Order and provide proof of same to the U.S. Trustee within three business days
3 following such closure;

4 b. Close the FRB account (#9117) within 15 days of entry of the Interim Order
5 and provide proof of same to the U.S. Trustee within three business days following such
6 closure; and

7 c. Have each of Bank of America, City National Bank, Bridge Bank, FRB, and
8 CB&T designate the Debtor's respective bank accounts at these institutions as "Debtor in
9 Possession" accounts within 15 days of entry of the Interim Order and provide proof of same
10 to the U.S. Trustee within three business days following such designation.

11 11. The Debtor shall institute systems to regularly "sweep" funds as follows:

12 a. Funds from the FRB brokerage account (#0589) into a debtor in possession
13 account at an authorized depository for the Northern District of California, on a regular basis;
14 and

15 b. Any funds in excess of \$250,000 from the Debtor's bank account at Bank of
16 San Francisco into a debtor in possession account at an authorized depository for the
17 Northern District of California, on a daily basis.

18 12. Except as otherwise set forth in this Interim Order, the Debtor is authorized to
19 continue its current investment practices as described in the Motion and related pleadings, including
20 but not limited to the use of the BofA Securities Investment Account, the Investment Pool Checking
21 Account, the Restricted Donations Account, and the Stock Transfer Account.

22 13. Neither this Interim Order, nor the Debtor's payment of any amounts authorized by
23 this Interim Order, shall: (i) result in any assumption of any executory contract by the Debtor; (ii)
24 result in a commitment to continue any plan, program, or policy of the Debtor; or (iii) impose any
25 administrative, pre-petition, or post-petition liabilities upon the Debtor.

26 14. In granting the Motion, the Court is not making any findings or determinations as to
27 what is or is not property of the estate. Nothing herein constitutes a judicial approval or disapproval,
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1 or judicial determination, of what assets are or are not restricted or held in trust or property of the
2 estate or what expenditures are reasonable or appropriate.

3 15. The Debtor is excused from redesignating the Additional Bank Accounts as debtor
4 in possession accounts and complying with the requirements of section 345(b) as to the Additional
5 Bank Accounts.

6 16. Notwithstanding the relief granted in this Interim Order, all rights of the U.S. Trustee,
7 any statutory committee(s) appointed in this Bankruptcy Case, or any other party in interest,
8 including any right under section 345(b) of the Bankruptcy Code, to object or otherwise challenge
9 the proposed treatment of the BofA Investment Account and the Investment Pool Account invested
10 with fund managers in separate custodial accounts with U.S. Bank, are reserved.

11 17. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed to
12 apply to the subject matter of this Interim Order, such stay is hereby waived.

13 18. Nothing in this Interim Order authorizes the Debtor to make any payments that
14 benefit, directly or indirectly, any credibly accused perpetrator of abuse, whether for wages, support,
15 housing, prepetition claims, retirement or otherwise.

16 19. The Debtors are authorized to take the actions necessary to effectuate the relief
17 granted in this Interim Order.

18 20. The Court shall retain jurisdiction to hear and determine all matters arising from
19 implementation of this Interim Order.

20 21. The final hearing on the Motion shall be heard on September 14, 2023, at 1:30 p.m.
21 Opposition, if any, to the granting of the Motion on a final basis shall be filed by September 7, 2023.
22 The Debtor's reply to any opposition shall be filed by September 12, 2023 at 12:00 p.m.

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1 22. Counsel to the Debtor is directed to serve a copy of this Interim Order on all parties
2 on the Limited Service List, as defined in the Debtor's Motion For Order Establishing Notice
3 Procedures on file herein, within five (5) days of the entry of this Interim Order and to file a
4 certificate of service with the Clerk of the Court.

5 APPROVED AS TO FORM.

6 OFFICE OF THE UNITED STATES TRUSTEE
7

8 By: /s/ Jason Blumberg
9 Jason Blumberg
10 Trial Attorney for Tracy Hope Davis,
United States Trustee for Region 17

11 *****END OF ORDER*****
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Court Service List

Registered ECF Participants only.